IN THE MATTER OF THE APPLICATION OF SOMONT OIL CO., INC. TO AUTHORIZE CASINGHEAD GAS TO BE PRODUCED FROM CERTAIN SHUT-IN OIL WELLS IN SECTION 31, T35N-R2W, IN THE KEVIN-SUNBURST FIELD, TOOLE COUNTY, MONTANA.

ORDER NO. 37-2003

Docket No. 41-2003

# Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

# Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana, that Somont Oil Co., Inc. is authorized to produce casinghead gas from the following described shut-in oil wells located in Section 31, T35N-R2W, Toole County, Montana, in the Kevin-Sunburst Field:

Name	API Number	Location
#1	25-101-22704	2420' FNL; 220' FEL
#2	25-101-22705	1980' FNL; 220' FEL
#3	25-101-22703	2420' FNL; 660' FEL
#4	25-101-22706	1540' FNL; 220' FEL

# BOARD ORDER NO. 37-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

BOARD OF OIL AND GAS CONSERVATION

	OF THE STATE OF MONTANA
	David Ballard, Chairman
	Denzil Young, Vice-Chairman
	Jerry Kennedy, Board Member
	Jack King, Board Member
	Allen Kolstad, Board Member
	Elaine Mitchell, Board Member
ATTEST:	Gary Willis, Board Member
Terri H. Perrigo, Executive Secretary	

IN THE MATTER OF THE APPLICATION OF TAYLOR WELL OPERATING, INC. TO DRILL ADDITIONAL INFILL WELLS WITHIN ALL OF SECTION 9, THE W½ OF SECTION 10, ALL OF SECTION 15, THE E½ OF SECTION 16 AND THE N½ OF SECTION 22, T34N-R4E, GRANDVIEW FIELD, LIBERTY COUNTY, MONTANA.

ORDER NO. 38-2003

Docket No. 44-2003

### Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. At the hearing applicant withdrew the request for additional infill wells in the  $W\frac{1}{2}$  of Section 9 and the  $E\frac{1}{2}$  of Section 15, T34N-R4E.
- 3. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### <u>Order</u>

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Taylor Well Operating, Inc. is authorized to drill additional infill wells within and upon the E½ of Section 9, the W½ of Section 10, the W½ of Section 15, the E½ of Section 16 and the N½ of Section 22, all in T34N-R4E, Grandview Field, Liberty County, Montana.

IT IS FURTHER ORDERED that the Grandview Field rules are amended to allow the drilling of and natural gas production from two wells per producing zone, formation or horizon for each 320-acre permanent spacing unit applicable to said lands.

IT IS FURTHER ORDERED that said wells be located no closer than 660 feet to spacing unit boundaries or 1320 feet to any other well producing from the same zone, formation or horizon.

# BOARD ORDER NO. 38-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

	David Ballard, Chairman
	Denzil Young, Vice-Chairman
	Jerry Kennedy, Board Member
	Jack King, Board Member
	Allen Kolstad, Board Member
	Elaine Mitchell, Board Member
TTEST:	Gary Willis, Board Member

IN THE MATTER OF THE APPLICATION OF TAYLOR WELL OPERATING, INC. TO ENLARGE THE GRANDVIEW FIELD IN LIBERTY COUNTY, MONTANA, AND INCREASE WELL DENSITY WITH REGARD

Docket No. 45-2003

TO THE ADDED LANDS.

ORDER NO. 39-2003

### Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

# Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the Grandview Field in Liberty County, Montana, is enlarged by adding thereto the E½ of Section 10 and the W½ of Section 16, T34N-4E as separate 320-acre permanent spacing units.

IT IS FURTHER ORDERED that applicant may drill and produce natural gas from two wells per producing zone, formation or horizon for each permanent spacing unit requested. Said wells must be no closer than 660 feet to spacing unit boundaries with 1320 feet between wells completed in the same zone.

IT IS FURTHER ORDERED that a federal communitization agreement for spacing units which contain both federal and non-federal land shall be submitted to the authorized officer of the Bureau of Land Management prior to or upon completion of a producible well.

# BOARD ORDER NO. 39-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

	David Ballard, Chairman
	Denzil Young, Vice-Chairman
	Jerry Kennedy, Board Member
	Jack King, Board Member
	Allen Kolstad, Board Member
	Elaine Mitchell, Board Member
	Gary Willis, Board Member
ATTEST:	
Terri H. Perrigo, Executive Secretary	

ORDER NO. 40-2003

IN THE MATTER OF THE APPLICATION OF HEADINGTON OIL, LIMITED PARTNERSHIP TO DELINEATE A FIELD, ESTABLISH FIELD RULES AND CREATE A PERMANENT SPACING UNIT COMPRISED OF ALL OF SECTION 16, T24N-R56E, RICHLAND COUNTY, MONTANA, FOR PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN FORMATION AND DESIGNATING APPLICANT'S STATE #21X-16 WELL AS THE ONLY AUTHORIZED WELL FOR SAID SPACING UNIT.

Docket No. 46-2003

# Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

# Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Headington Oil, Limited Partnership is granted as applied for.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

BOARD OF OIL AND GAS CONSERVATION OF THE STATE OF MONTANA

# David Ballard, Chairman Denzil Young, Vice-Chairman Jerry Kennedy, Board Member Jack King, Board Member Allen Kolstad, Board Member Elaine Mitchell, Board Member Gary Willis, Board Member ATTEST: Terri H. Perrigo, Executive Secretary

ORDER NO. 41-2003

IN THE MATTER OF THE APPLICATION OF HEADINGTON OIL, LIMITED PARTNERSHIP TO DELINEATE ALL OF SECTION 31, T24N-R57E, RICHLAND COUNTY, MONTANA, AS A FIELD AND PERMANENT SPACING UNIT FOR PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN FORMATION AND DESIGNATING APPLICANT'S ALBIN FARMS #31X-31 WELL AS THE ONLY AUTHORIZED WELL FOR SAID SPACING UNIT.

Docket No. 47-2003

# Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Headington Oil, Limited Partnership is granted as applied for.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

	David Ballard, Chairman
	Denzil Young, Vice-Chairman
	Jerry Kennedy, Board Member
	Jack King, Board Member
	Allen Kolstad, Board Member
	Elaine Mitchell, Board Member
	Gary Willis, Board Member
ATTEST:	
Terri H. Perrigo, Executive Secretary	
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IN THE MATTER OF THE APPLICATION OF HEADINGTON OIL, LIMITED PARTNERSHIP TO POOL ALL INTERESTS IN THE SPACING UNIT COMPRISED OF ALL OF SECTION 31, T24N-R57E, RICHLAND COUNTY, MONTANA, FOR PRODUCTION OF OIL AND ASSOCIATED NATURAL GAS FROM THE BAKKEN FORMATION.

ORDER NO. 42-2003

Docket No. 48-2003

### Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

# Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Headington Oil, Limited Partnership is granted as applied for. Interests should be pooled on the basis of surface acreage.

# BOARD ORDER NO. 42-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

	David Ballard, Chairman
	Denzil Young, Vice-Chairman
	Jerry Kennedy, Board Member
	Jack King, Board Member
	Allen Kolstad, Board Member
	Elaine Mitchell, Board Member
	Gary Willis, Board Member
ATTEST:	
Ferri H. Perrigo, Executive Secretary	

ORDER NO. 43-2003

IN THE MATTER OF THE APPLICATION OF HEADINGTON OIL, LIMITED PARTNERSHIP TO DESIGNATE A TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 5 AND 8, T24N-R56E, RICHLAND COUNTY, MONTANA, TO DRILL AN EXTENDED -LENGTH DUAL-LATERAL HORIZONTAL WELL IN THE BAKKEN FORMATION AND AUTHORIZING THE LOCATION OF SAID WELL ANYWHERE WITHIN SAID TEMPORARY SPACING UNIT BUT NOT CLOSER THAN 660 FEET TO THE BOUNDARIES THEREOF.

Docket No. 49-2003

# Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Headington Oil, Limited Partnership is granted as applied for.

# BOARD ORDER NO. 43-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

	David Ballard, Chairman
	Denzil Young, Vice-Chairman
	Jerry Kennedy, Board Member
	Jack King, Board Member
	Allen Kolstad, Board Member
	Elaine Mitchell, Board Member
ATTEST:	Gary Willis, Board Member

ORDER NO. 44-2003

IN THE MATTER OF THE APPLICATION OF HEADINGTON OIL, LIMITED PARTNERSHIP TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 17 AND 20, T24N-R55E, RICHLAND COUNTY, MONTANA, TO DRILL UP TO TWO DUAL-LATERAL HORIZONTAL WELLS TO THE BAKKEN FORMATION AND AUTHORIZING APPLICANT TO LOCATE ITS PROPOSED HORIZONTAL WELLS ANYWHERE WITHIN SAID TEMPORARY SPACING UNIT BUT NOT CLOSER THAN 660 FEET TO THE BOUNDARIES THEREOF.

Docket No. 51-2003

# Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

  Order

IT IS THEREFORE ORDERED by the Board of Oil and Cas Conservation of the State of Montana that the application of Headington Oil, Limited Partnership is granted as applied for.

# BOARD ORDER NO. 44-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

	David Ballard, Chairman
	,
	Denzil Young, Vice Chairman
	Jerry Kennedy, Board Member
	Jack King, Board Member
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	Allen Kolstad, Board Member
	Elaine Mitchell, Board Member
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	Gary Willis, Board Member
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ATTEST:	
Tarri U Darrigo Evacutivo Sacratory	
Terri H. Perrigo, Executive Secretary	

IN THE MATTER OF THE APPLICATION OF HEADINGTON OIL, LIMITED PARTNERSHIP TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTION 31, T24N-R55E AND ALL OF SECTION 6, T23N-R55E, RICHLA ND COUNTY, MONTANA, TO DRILL UP TO TWO DUAL-LATERAL HORIZONTAL WELLS TO THE BAKKEN FORMATION AND AUTHORIZING APPLICANT TO LOCATE ITS PROPOSED WELLS ANYWHERE WITHIN SAID TEMPORARY

SPACING UNIT BUT NOT CLOSER THAN 660 FEET TO THE BOUNDARIES THEREOF.

ORDER NO. 45-2003

Docket No. 52-2003

# Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

# Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Headington Oil, Limited Partnership is granted as applied for.

# BOARD ORDER NO. 45-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

	David Ballard, Chairman
	Denzil Young, Vice-Chairman
	Jerry Kennedy, Board Member
	Jack King, Board Member
	Allen Kolstad, Board Member
	Elaine Mitchell, Board Member
	Gary Willis, Board Member
ATTEST:	
Terri H. Perrigo, Executive Secretary	

IN THE MATTER OF THE APPLICATION OF HEADINGTON OIL, LIMITED PARTNERSHIP TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 11 AND 14, T23N-R56E, RICHLAND COUNTY, MONTANA, TO DRILL UP TO TWO DUAL-LATERAL HORIZONTAL WELLS IN THE BAKKEN FORMATION AND AUTHORIZING APPLICANT TO LOCATE SAID WELLS ANYWHERE WITHIN SAID TEMPORARY SPACING UNIT BUT NOT CLOSER THAN 660 FEET TO THE

Docket No. 54-2003

BOUNDARIES THEREOF.

# Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### <u>Order</u>

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Headington Oil, Limited Partnership is granted as applied for.

ORDER NO. 46-2003

# BOARD ORDER NO. 46-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

	David Ballard, Chairman
	Denzil Young, Vice-Chairman
	Jerry Kennedy, Board Member
	Jack King, Board Member
	Allen Kolstad, Board Member
	Elaine Mitchell, Board Member
	Gary Willis, Board Member
ATTEST:	
Terri H. Perrigo, Executive Secretary	

IN THE MATTER OF THE APPLICATION OF HEADINGTON OIL, LIMITED PARTNERSHIP TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 15 AND 22, T24N-R56E, RICHLAND COUNTY, MONTANA, FOR DRILLING UP TO TWO DUAL-LATERAL HORIZONTAL WELLS TO THE BAKKEN FORMATION AND AUTHORIZING APPLICANT TO LOCATE SAID WELLS ANYWHERE WITHIN SAID TEMPORARY SPACING UNIT BUT NOT CLOSER THAN 660 FEET TO THE BOUNDARIES THEREOF.

Docket No. 55-2003

### Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Headington Oil, Limited Partnership is granted as applied for.

ORDER NO. 47-2003

# BOARD ORDER NO. 47-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

David Ballard, Chairman  Denzil Young, Vice-Chairman  Jerry Kennedy, Board Member  Jack King, Board Member  Allen Kolstad, Board Member  Elaine Mitchell, Board Member  Gary Willis, Board Member		
Jerry Kennedy, Board Member  Jack King, Board Member  Allen Kolstad, Board Member  Elaine Mitchell, Board Member  Gary Willis, Board Member		David Ballard, Chairman
Jack King, Board Member  Allen Kolstad, Board Member  Elaine Mitchell, Board Member  Gary Willis, Board Member		Denzil Young, Vice-Chairman
Allen Kolstad, Board Member  Elaine Mitchell, Board Member  Gary Willis, Board Member		Jerry Kennedy, Board Member
Elaine Mitchell, Board Member  Gary Willis, Board Member		Jack King, Board Member
Gary Willis, Board Member		Allen Kolstad, Board Member
		Elaine Mitchell, Board Member
TTEST:		Gary Willis, Board Member
	TTEST:	

IN THE MATTER OF THE APPLICATION OF HEADINGTON OIL, LIMITED PARTNERSHIP TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 14 AND 23, T24N-R54E, RICHLAND COUNTY, MONTANA, TO DRILL UP TO TWO DUAL-LATERAL HORIZONTAL WELLS TO THE BAKKEN FORMATION AND AUTHORIZING APPLICANT TO LOCATE SAID WELLS ANYWHERE WITHIN SAID TEMPORARY SPACING UNIT BUT NOT CLOSER THAN 660 FEET TO THE BOUNDARIES THEREOF.

Docket No. 56-2003

# Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

# Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Headington Oil, Limited Partnership is granted as applied for.

ORDER NO. 48-2003

# BOARD ORDER NO. 48-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

	David Ballard, Chairman
	Denzil Young, Vice-Chairman
	Jerry Kennedy, Board Member
	Jack King, Board Member
	Allen Kolstad, Board Member
	Elaine Mitchell, Board Member
	Gary Willis, Board Member
ATTEST:	out winds, bout weiner
ATTEST.	
Terri H. Perrigo, Executive Secret	arv

IN THE MATTER OF THE APPLICATION OF HEADINGTON OIL, LIMITED PARTNERSHIP TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 5 AND 8, T23N-R55E, RICHLAND COUNTY, MONTANA, TO DRILL UP TO TWO DUAL-LATERAL HORIZONTAL WELLS IN THE BAKKEN FORMATION AND AUTHORIZING APPLICANT TO LOCATE SAID WELLS ANYWHERE WITHIN SAID TEMPORARY SPACING UNIT BUT NOT CLOSER THAN 660 FEET TO THE BOUNDARIES THEREOF.

Docket No. 57-2003

# Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Headington Oil, Limited Partnership is granted as applied for.

ORDER NO. 49-2003

# BOARD ORDER NO. 49-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

	David Ballard, Chairman
	Denzil Young, Vice-Chairman
	Jerry Kennedy, Board Member
	Jack King, Board Member
	Allen Kolstad, Board Member
	Elaine Mitchell, Board Member
	Gary Willis, Board Member
ATTEST:	
Terri H. Perrigo, Executive Secretary	

ORDER NO. 50-2003

IN THE MATTER OF THE APPLICATION OF HEADINGTON OIL, LIMITED PARTNERSHIP TO CREATE A TEMPORARY SPACING UNIT COMPRISED OF ALL OF SECTIONS 20 AND 29, T24N-R56E, RICHLAND COUNTY, MONTANA, TO DRILL UP TO TWO DUAL-LATERAL HORIZONTAL WELLS IN THE BAKKEN FORMATION AND AUTHORIZING APPLICANT TO LOCATE SAID WELLS ANYWHERE WITHIN SAID TEMPORARY SPACING UNIT BUT NOT CLOSER THAN 660 FEET FROM THE BOUNDARIES THEREOF.

Docket No. 58-2003

# Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Headington Oil, Limited Partnership is granted as applied for.

# BOARD ORDER NO. 50-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

	David Ballard, Chairman
	Denzil Young, Vice-Chairman
	Jerry Kennedy, Board Member
	Jack King, Board Member
	Allen Kolstad, Board Member
	Elaine Mitchell, Board Member
	Gary Willis, Board Member
ATTEST:	
Terri H. Perrigo, Executive Secretary	

ORDER NO. 51-2003

IN THE MATTER OF THE APPLICATION OF CORTEZ OIL & GAS, INC. FOR AN EXCEPTION TO THE GLENDIVE FIELD RULES TO AUTHORIZE RE-ENTRY OF APPLICANT'S STATE D6 WELL IN SECTION 36, T15N-R54E, DAWSON COUNTY, MONTANA, AND TO DRILL TWO HORIZONTAL LATERALS TO THE RED RIVER FORMATION "A" AND "B" ZONES AT LOCATIONS NOT CLOSER THAN 660 FEET TO THE BOUNDARIES THEREOF AS AN EXCEPTION TO BOARD ORDER 27-55.

Docket No. 63-2003

### Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

# <u>Order</u>

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Cortez Oil & Gas, Inc. is granted as applied for.

# BOARD ORDER NO. 51-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

	David Ballard, Chairman
	Denzil Young, Vice-Chairman
	Jerry Kennedy, Board Member
	Jack King, Board Member
	Allen Kolstad, Board Member
	Elaine Mitchell, Board Member
	Gary Willis, Board Member
ATTEST:	
Terri H. Perrigo, Executive Secretary	

IN THE MATTER OF THE APPLICATION OF CORTEZ OPERATING COMPANY TO INJECT WATER INTO THE DAKOTA FORMATION IN THE GAS CITY UNIT IN DAWSON COUNTY, MONTANA, EITHER THROUGH DAKOTA SALTWATER DISPOSAL WELLS OR BY RE-ENTERING EXISTING WELLS FOR THE PURPOSE OF INJECTING RED RIVER FORMATION PRODUCED WATER INTO THE DAKOTA FORMATION.

Docket No. 64-2003

# Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

# Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Cortez Operating Company is granted as applied for.

ORDER NO. 52-2003

# BOARD ORDER NO. 52-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

	David Ballard, Chairman
	Denzil Young, Vice-Chairman
	Jerry Kennedy, Board Member
	Jack King, Board Member
	Allen Kolstad, Board Member
	Elaine Mitchell, Board Member
	Gary Willis, Board Member
ATTEST:	
Terri H. Perrigo, Executive Secretary	_

ORDER NO. 53-2003

IN THE MATTER OF THE APPLICATION OF CORTEZ OPERATING COMPANY TO CONVERT ITS GAS CITY 11-34 WELL WITHIN THE GAS CITY UNIT TO A DAKOTA WATER INJECTION WELL. THE GAS CITY 11-34 WELL IS LOCATED 374' FNL AND 946' FWL OF SECTION 34, T14N-R55E, DAWSON COUNTY, MONTANA.

Docket No. 65-2003

# Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

# Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner herein set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Cortez Operating Company is granted as applied for.

# BOARD ORDER NO. 53-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

	David Ballard, Chairman
	Denzil Young, Vice-Chairman
	Jerry Kennedy, Board Member
	Jack King, Board Member
	Allen Kolstad, Board Member
	Elaine Mitchell, Board Member
ATTEST:	Gary Willis, Board Member
Ferri H. Perrigo, Executive Secretary	

CITATION OIL & GAS CORP. TO AUTHORIZE THE DRILLING AND COMPLETION OF A WELL APPROXIMATELY 2270' FSL AND 2525' FWL OF SECTION 32, T36N-R58E, SHERIDAN COUNTY, MONTANA, AS AN EXCEPTION TO ANY APPLICABLE WELL LOCATION

IN THE MATTER OF THE APPLICATION OF

RULES. APPLICANT INTENDS TO DRILL AND

COMPLETE A WELL TO THE RED RIVER

FORMATION UNDER THE NE<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub> OF SAID SECTION 32 IN THE GOOSE LAKE FIELD

Docket No. 66-2003

# Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

# Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Citation Oil & Gas Corp. granted as applied for.

ORDER NO. 54-2003

# BOARD ORDER NO. 54-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

BOARD OF OIL AND GAS CONSERVATION OF THE STATE OF MONTANA

# David Ballard, Chairman Denzil Young, Vice-Chairman Jerry Kennedy, Board Member Jack King, Board Member Allen Kolstad, Board Member Elaine Mitchell, Board Member Gary Willis, Board Member ATTEST:

IN THE MATTER OF THE APPLICATION OF I. BURNS BROWN OPERATING COMPANY TO VACATE THE TEMPORARY EAGLE FORMATION SPACING UNITS CREATED BY BOARD ORDER 228-2001, TO DESIGNATE THE S½S½ OF SECTION 25, T34N-R14E AND THE N1/2N1/2 OF SECTION 36, T34N-R14E, HILL COUNTY, MONTANA, AS A 320-ACRE PERMANENT SPACING UNIT FOR EAGLE FORMATION GAS PRODUCTION FROM THE GWYNN 25-34-14 WELL LOCATED 120' FSL AND 2640' FEL OF SAID SECTION 25. AND TO DESIGNATE THE NE<sup>1</sup>/<sub>4</sub>, N<sup>1</sup>/<sub>2</sub>SE<sup>1</sup>/<sub>4</sub> OF SAID SECTION 25 AS A 240-ACRE PERMANENT SPACING UNIT FOR EAGLE FORMATION GAS PRODUCTION WITH THE PERMITTED WELL IN SUCH UNIT TO BE LOCATED 2100' FSL AND 990' FEL OF SAID SECTION 25.

ORDER NO. 55-2003

Docket No. 67-2003

### Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. At the hearing applicant's request for a 240-acre spacing unit consisting of the NE¼ and N½SE¼ of Section 25, T34N-R14E, Hill County, Montana, was amended to request a 160-acre spacing unit consisting of the S½NE¼ and N½SE¼ of said Section 25.
- 3. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### <u>Order</u>

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the temporary Eagle Formation spacing units created by Board Order 228-2001 are vacated.

IT IS FURTHER ORDERED that the S½S½ of Section 25, T34N-R14E and the N½N½ of Section 36, T34N-R14E, Hill County, Montana are designated as a 320-acre permanent spacing unit for Eagle Formation gas production from the Gwynn 25-34-14 well.

### BOARD ORDER NO. 55-2003

IT IS FURTHER ORDERED that the  $S\frac{1}{2}NE\frac{1}{4}$  and  $N\frac{1}{2}SE\frac{1}{4}$  of said Section 25 is designated as a 160-acre permanent spacing unit for Eagle Formation gas production from the Gwynn 25-34-14B well.

BOARD OF OIL AND GAS CONSERVATION OF THE STATE OF MONTANA

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

	David Ballard, Chairman
	Denzil Young, Vice-Chairman
	Jerry Kennedy, Board Member
	Jack King, Board Member
	Allen Kolstad, Board Member
	Elaine Mitchell, Board Member
	Gary Willis, Board Member
TTEST:	

IN THE MATTER OF THE APPLICATION OF J. BURNS BROWN OPERATING COMPANY TO DRILL AN ADDITIONAL EAGLE GAS WELL IN SECTION 6, T32N-R19E, BLAINE COUNTY, MONTANA, AT A LOCATION 1750' FSL AND 660' FWL OF SAID SECTION 6 WITH A 75-FOOT TOLERANCE IN ANY DIRECTION FOR TOPOGRAPHIC REASONS AS AN EXCEPTION TO A.R.M. 36.22.702.

ORDER NO. 56-2003

Docket No. 68-2003

### Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### <u>Order</u>

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of J. Burns Brown Operating Company is granted as applied for.

### BOARD ORDER NO. 56-2003

Terri H. Perrigo, Executive Secretary

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

David Ballard, Chairman	
Denzil Young, Vice-Chairman	
Jerry Kennedy, Board Member	
Jack King, Board Member	
Allen Kolstad, Board Member	
Elaine Mitchell, Board Member	
Gary Willis, Board Member	

ORDER NO. 57-2003

IN THE MATTER OF THE APPLICATION OF J. BURNS BROWN OPERATING COMPANY TO DRILL AN ADDITIONAL EAGLE GAS WELL IN THE NW¼ OF SECTION 27, T34N-R14E, HILL COUNTY, MONTANA, AT A LOCATION 2500' FNL AND 660' FWL OF SAID SECTION 27 WITH A 75-FOOT TOLERANCE TO THE NORTH, EAST AND SOUTH, BUT NOT TO THE WEST, FOR TOPOGRAPHIC REASONS AS AN EXCEPTION TO THE BROWN'S COULEE FIELD RULES ESTABLISHED BY BOARD ORDER 7-74.

Docket No. 69-2003

### Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of J. Burns Brown Operating Company is granted as applied for.

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

	David Ballard, Chairman
	Denzil Young, Vice-Chairman
	Jerry Kennedy, Board Member
	Jack King, Board Member
	Allen Kolstad, Board Member
	Elaine Mitchell, Board Member
	Gary Willis, Board Member
ATTEST:	
Terri H. Perrigo, Executive Secretary	

IN THE MATTER OF THE APPLICATION OF ENCORE OPERATING, L.P. TO CONVERT ITS LITTLE BEAVER 11-32H WELL IN THE LITTLE BEAVER FIELD IN SECTION 32, T4N-R62E, FALLON COUNTY, MONTANA, TO A RED RIVER INJECTION WELL. ORDER NO. 58-2003

Docket No. 70-2003

### Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Encore Operating, L.P. is granted as applied for.

### BOARD ORDER NO. 58-2003

Terri H. Perrigo, Executive Secretary

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

BOARD OF OIL AND GAS CONSERVATION OF THE STATE OF MONTANA

# David Ballard, Chairman Denzil Young, Vice-Chairman Jerry Kennedy, Board Member Jack King, Board Member Allen Kolstad, Board Member Elaine Mitchell, Board Member Gary Willis, Board Member

IN THE MATTER OF THE APPLICATION OF ENCORE OPERATING, L.P. FOR APPROVAL OF APPROPRIATE SEVERANCE TAX REDUCTIONS FOR HORIZONTAL RE-ENTRIES IN FALLON, WIBAUX AND PRAIRIE COUNTIES, MONTANA: ORDER NO. 59-2003

Docket No. 71-2003

### Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the following wells in Fallon, Wibaux and Prairie Counties, Montana, are certified as horizontally re-completed wells:

API Number	Well Name	Completion Date
25-025-05607	South Pine 43-25AH	10/31/2002
25-109-21065	SP 12A-29H	1/31/2003
25-109-05139	SP 14X-20H	1/8/2003
25-079-05034	NP 42-30CH	1/4/2003
25-025-05269	PNL 24-32CH	11/13/2002
25-025-21255	PNL 33-29BH	11/21/2002
25-025-05690	PNL 22-17BH	12/25/2002
25-025-21199	PNL 11-29CH	1/10/2003
25-025-21900	CRL 33-04H	1/31/2003

IT IS FURTHER ORDERED that the production decline rates used to calculate incremental production for each well are approved as requested and staff is directed to forward the decline rates and production forecasts to the Montana Department of Revenue.

### BOARD ORDER NO. 59-2003

Terri H. Perrigo, Executive Secretary

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

BOARD OF OIL AND GAS CONSERVATION OF THE STATE OF MONTANA

# David Ballard, Chairman Denzil Young, Vice-Chairman Jerry Kennedy, Board Member Jack King, Board Member Allen Kolstad, Board Member Elaine Mitchell, Board Member Gary Willis, Board Member

ORDER NO. 60-2003

IN THE MATTER OF THE APPLICATION OF CAMWEST II L.P. TO CERTIFY THE DWYER UNIT AREA IN SHERIDAN COUNTY, MONTANA, AS AN EXPANDED ENHANCED RECOVERY PROJECT EFFECTIVE AS OF FEBRUARY 1, 2003, AND TO DETERMINE PRODUCTION DECLINE RATES USED TO CALCULATE INCREMENTAL PRODUCTION IN THE PROJECT AREA.

Docket No. 72-2003

### Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that the Dwyer Unit Area is an expanded enhanced recovery project effective as of February 1, 2003, and the production decline rates attached hereto are appropriate to calculate incremental production in the project area.

### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the Dwyer Unit Area in Sheridan County, Montana, is certified as an expanded enhanced recovery project effective as of February 1, 2003.

IT IS FURTHER ORDERED that production decline rates used to calculate the incremental production in the project area are attached hereto and the staff of the Board is directed to forward said decline rates to the Montana Department of Revenue.

### BOARD ORDER NO. 60-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

	David Ballard, Chairman
	Denzil Young, Vice-Chairman
	Jerry Kennedy, Board Member
	Jack King, Board Member
	Allen Kolstad, Board Member
	Elaine Mitchell, Board Member
	Gary Willis, Board Member
ATTEST:	

IN THE MATTER OF THE APPLICATION OF CAMWEST II L.P. TO CERTIFY THE FLAT LAKE EAST RATCLIFFE UNIT AREA, SHERIDAN COUNTY, MONTANA, AS AN EXPANDED ENHANCED RECOVERY PROJECT EFFECTIVE AS OF FEBRUARY 1, 2003, AND TO DETERMINE PRODUCTION DECLINE RATES USED TO CALCULATE INCREMENTAL PRODUCTION IN THE PROJECT AREA.

Docket No. 73-2003

ORDER NO. 61-2003

### Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that the Flat Lake East Ratcliffe Unit Area in Sheridan County, Montana, is an expanded enhanced recovery project effective February 1, 2003, and the production decline rates attached to this order are appropriate to calculate incremental production in the project area.

### <u>Order</u>

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the staff is directed to certify the Flat Lake East Ratcliffe Unit Area in Sheridan County, Montana, as an expanded enhanced recovery project effective February 1, 2003, and to certify to the Montana Department of Revenue that the production decline rates attached to this order are the appropriate means of calculating incremental production in the project area.

### BOARD ORDER NO. 61-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

David Ballard, Chairman
Denzil Young, Vice-Chairman
Jerry Kennedy, Board Member
Jack King, Board Member
Allen Kolstad, Board Member
Elaine Mitchell, Board Member
Gary Willis, Board Member

IN THE MATTER OF THE APPLICATION OF CAMWEST II L.P. TO DETERMINE THE PRODUCTION DECLINE RATES USED TO CALCULATE INCREMENTAL PRODUCTION FOR THE FLAT LAKE NISKU UNIT IN SHERIDAN COUNTY, MONTANA.

ORDER NO. 62-2003

Docket No. 74-2003

### Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that the production decline rates used to calculate incremental production for the Flat Lake Nisku Unit in Sheridan County, Montana, are attached hereto and hereby adopted by the Board.

### <u>Order</u>

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the production decline rates attached hereto are adopted by the Board and staff is directed to certify said decline rates to the Montana Department of Revenue.

### BOARD ORDER NO. 62-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

	David Ballard, Chairman
	Denzil Young, Vice-Chairman
	Jerry Kennedy, Board Member
	Jack King, Board Member
	Allen Kolstad, Board Member
	Elaine Mitchell, Board Member
	Gary Willis, Board Member
ATTEST:	
Terri H. Perrigo, Executive Secretary	

IN THE MATTER OF THE APPLICATION OF CONTINENTAL RESOURCES, INC. TO AMEND THE FIELD RULES FOR THE WEST CEDAR HILLS-RED RIVER "B" UNIT, EAST LOOKOUT BUTTE RED RIVER UNIT, FALLON COUNTY, MONTANA, TO AUTHORIZE DRILLING A BOUNDARY HORIZONTAL INJECTION WELL AT A LOCATION SUCH THAT THE HORIZONTAL DISPLACEMENT IN WELL BORE WILL BE APPROXIMATELY 2600 FEET IN THE WEST CEDAR HILLS-RED RIVER "B" UNIT AND APPROXIMATELY 3600 FEET IN THE EAST LOOKOUT BUTTE RED RIVER UNIT.

ORDER NO. 63-2003

Docket No. 75-2003

### Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Continental Resources, Inc. is granted as applied for.

### BOARD ORDER NO. 63-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

	David Ballard, Chairman
	Denzil Young, Vice-Chairman
	Jerry Kennedy, Board Member
	Jack King, Board Member
	Allen Kolstad, Board Member
	Elaine Mitchell, Board Member
	Gary Willis, Board Member
TTEST:	

ORDER NO. 64-2003

IN THE MATTER OF THE APPLICATION
CONTINENTAL RESOURCES, INC. TO AMEND
THE FIELD RULES FOR THE WEST CEDAR
HILLS-RED RIVER "B" UNIT, EAST LOOKOUT
BUTTE RED RIVER UNIT, FALLON COUNTY,
MONTANA, AND AUTHORIZE THE DRILLING
OF A BOUNDARY HORIZONTAL INJECTION
WELL AT A LOCATION SUCH THAT THE
HORIZONTAL DISPLACEMENT IN THE WELL
BORE WILL BE APPROXIMATELY 3600 FEET
IN THE WEST CEDAR HILLS-RED RIVER "B"
UNIT AND APPROXIMATELY 2600 FEET IN THE
EAST LOOKOUT BUTTE RED RIVER UNIT.

Docket No. 76-2003

### Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

IT IS THEREFORE ORDERED by the Board of Oil and Ga's Conservation of the State of Montana that the application of Continental Resources, Inc. is granted as applied for.

### BOARD ORDER NO. 64-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

	David Ballard, Chairman
	Denzil Young, Vice-Chairman
	Jerry Kennedy, Board Member
	Jack King, Board Member
	Allen Kolstad, Board Member
	Elaine Mitchell, Board Member
	Gary Willis, Board Member
ATTEST:	
Terri H. Perrigo, Executive Secretary	

ORDER NO. 65-2003

IN THE MATTER OF THE APPLICATION
OF CONTINENTAL RESOURCES, INC. TO
CREATE A PERMANENT SPACING UNIT
COMPRISED OF ALL OF SECTIONS 5 AND 8,
T24N-R54E, RICHLAND COUNTY, MONTANA,
AND TO DRILL ONE MULTILATERAL HORIZONTAL
WELL IN THE BAKKEN FORMATION TO BE
LOCATED ANYWHERE WITHIN SAID SPACING
UNIT BUT NOT CLOSER THAN 660 FEET TO THE
BOUNDARIES THEREOF.

Docket No. 89-2003

### Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. At the hearing applicant's request for the designation of a permanent spacing unit was modified to designate only a temporary spacing unit.
- 3. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that all of Sections 5 and 8, T24N-R54E, Richland County, Montana, is designated as a temporary spacing unit.

IT IS FURTHER ORDERED that Continental Resources, Inc. is authorized to drill a multilateral horizontal well in the Bakken Formation in the temporary spacing unit comprised of all of Sections 5 and 8, T24N-R54E, Richland County, Montana, and that said well can be located anywhere in said temporary spacing unit but not closer than 660 feet to the boundaries thereof.

### BOARD ORDER NO. 65-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

	David Ballard, Chairman
	Denzil Young, Vice-Chairman
	Jerry Kennedy, Board Member
	Jack King, Board Member
	Allen Kolstad, Board Member
	Elaine Mitchell, Board Member
	Gary Willis, Board Member
ATTEST:	

IN THE MATTER OF THE APPLICATION OF OCEAN ENERGY, INC. TO AUTHORIZE THE DRILLING OF AN EAGLE SAND FORMATION GAS WELL 885' FEL AND 2245' FSL IN THE SE<sup>1</sup>/<sub>4</sub> OF SECTION 11, T26N-R17E, BLAINE COUNTY, MONTANA, WITH A 200-FOOT TOLERANCE FOR TOPOGRAPHIC REASONS AS AN EXCEPTION TO BOARD ORDER 51-97.

Docket No. 90-2003

### Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that Ocean Energy, Inc. is authorized to drill an Eagle Sand Formation gas well 885' FEL and 2245' FSL of the SE¼ of Section 11, T26N-R17E, Blaine County, Montana, with a 50-foot tolerance to the East and a 200-foot tolerance in every other direction for topographic reasons as an exception to Board Order 51-97.

ORDER NO. 66-2003

### BOARD ORDER NO. 66-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

	David Ballard, Chairman
	Denzil Young, Vice-Chairman
	Jerry Kennedy, Board Member
	Jack King, Board Member
	Allen Kolstad, Board Member
	Elaine Mitchell, Board Member
	Gary Willis, Board Member
ATTEST:	

IN THE MATTER OF THE APPLICATION OF OCEAN ENERGY, INC. TO DRILL ITS NYSTROM #22-16-30-15 WELL AT A LOCATION 491' FEL AND 434' FSL OF SECTION 22, T30N-R15E, HILL COUNTY, MONTANA, WITH A 25-FOOT TOLERANCE FOR TOPOGRAPHIC REASONS AS AN EXCEPTION TO BOARD ORDER 41-72. [TIGER RIDGE FIELD]

Docket No. 91-2003

ORDER NO. 67-2003

### Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Ocean Energy, Inc. is granted as applied for.

### BOARD ORDER NO. 67-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

	David Ballard, Chairman
	Buvia Bunard, Chamman
	Denzil Young, Vice-Chairman
	Jerry Kennedy, Board Member
	Jack King, Board Member
	Allen Kolstad, Board Member
	Elaine Mitchell, Board Member
	Gary Willis, Board Member
ATTEST:	

ORDER NO. 68-2003

IN THE MATTER OF THE APPLICATION OF OCEAN ENERGY, INC. TO DRILL AN ADDITIONAL EAGLE SAND FORMATION GAS WELL 2435' FEL AND 1115' FSL OF SECTION 15, T25N-R18E, BLAINE COUNTY, MONTANA, (SHERARD UNIT, PARTICIPATING AREA "B") WITH A 200-FOOT TOLERANCE IN ANY DIRECTION FOR TOPOGRAPHIC OR ARCHEOLOGICAL REASONS AS AN EXCEPTION TO A.R.M. 36.22.702.

Docket No. 92-2003

### Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Ocean Energy, Inc. is granted as applied for.

### BOARD ORDER NO. 68-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

Young, Vice-Chairman
ennedy, Board Member
ng, Board Member
olstad, Board Member
Mitchell, Board Member
illis, Board Member
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ORDER NO. 69-2003

IN THE MATTER OF THE APPLICATION OF OCEAN ENERGY, INC. TO DRILL AN ADDITIONAL EAGLE SAND FORMATION GAS WELL 815' FEL AND 1885' FSL OF SECTION 33, T26N-R19E, BLAINE COUNTY, MONTANA, WITH A 200-FOOT TOLERANCE IN ANY DIRECTION FOR TOPOGRAPHIC OR ARCHEOLOGICAL REASONS AS AN EXCEPTION TO A.R.M. 36.22.702.

Docket No. 94-2003

### Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Ocean Energy, Inc. is granted as applied for.

### BOARD ORDER NO. 69-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

David Ballard, Chairman
Denzil Young, Vice-Chairman
Jerry Kennedy, Board Member
Jack King, Board Member
Allen Kolstad, Board Member
Elaine Mitchell, Board Member
Gary Willis, Board Member

ORDER NO. 70-2003

IN THE MATTER OF THE APPLICATION OF OCEAN ENERGY, INC. TO DRILL TWO EAGLE SAND FORMATION GAS WELLS ANYWHERE WITHIN SECTION 34, T27N-R20E, BLAINE COUNTY, MONTANA, BUT NOT CLOSER THAN 990 FEET TO THE SPACING UNIT BOUNDARIES AS AN EXCEPTION TO BOARD ORDER 45-76. [SAWTOOTH MOUNTAIN FIELD]

Docket No. 95-2003

### Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Ocean Energy, Inc. is granted as applied for.

### BOARD ORDER NO. 70-2003

Terri H. Perrigo, Executive Secretary

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

BOARD OF OIL AND GAS CONSERVATION OF THE STATE OF MONTANA

# David Ballard, Chairman Denzil Young, Vice-Chairman Jerry Kennedy, Board Member Jack King, Board Member Allen Kolstad, Board Member Elaine Mitchell, Board Member Gary Willis, Board Member

ORDER NO. 71-2003

IN THE MATTER OF THE APPLICATION OF OCEAN ENERGY, INC TO DRILL AN EAGLE SAND FORMATION GAS WELL 2480' FNL AND 1550' FEL OF SECTION 28, T31N-R19E, BLAINE COUNTY, MONTANA, WITH A 200-FOOT TOLERANCE IN ANY DIRECTION FOR TOPOGRAPHIC REASONS AS AN EXCEPTION TO BOARD ORDERS 10-70 AND 34-86 (TIGER RIDGE FIELD).

Docket No. 96-2003

### Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Ocean Energy, Inc. is granted as applied for.

### BOARD ORDER NO. 71-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

David Ballard, Chairman
Denzil Young, Vice-Chairman
Jerry Kennedy, Board Member
Jack King, Board Member
Allen Kolstad, Board Member
Elaine Mitchell, Board Member
Gary Willis, Board Member

IN THE MATTER OF THE APPLICATION OF OCEAN ENERGY, INC. TO DRILL AN ADDITIONAL EAGLE SAND FORMATION GAS WELL 2300' FEL AND 1200' FSL OF SECTION 21, T31N-R19E, BLAINE COUNTY, MONTANA, WITH A 200-FOOT TOLERANCE FOR TOPOGRAPHIC OR ARCHEOLOGIC REASONS AS AN EXCEPTION TO A.R.M. 36.22.702.

Docket No. 97-2003

ORDER NO. 72-2003

### Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Ocean Energy, Inc. is granted as applied for.

### BOARD ORDER NO. 72-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

	David Ballard, Chairman
	Denzil Young, Vice-Chairman
	Jerry Kennedy, Board Member
	Jack King, Board Member
	Allen Kolstad, Board Member
	Elaine Mitchell, Board Member
	Gary Willis, Board Member
ATTEST:	

IN THE MATTER OF THE APPLICATION OF OCEAN ENERGY, INC. TO DRILL AN EAGLE SAND FORMATION GAS WELL 2500' FSL AND 2540' FEL OF SECTION 20, T32N-R15E, HILL COUNTY, MONTANA, WITH A 75-FOOT TOLERANCE FOR TOPOGRAPHIC REASONS AS AN EXCEPTION TO BOARD ORDERS 10-70 AND 56-85 (TIGER RIDGE FIELD).

ORDER NO. 73-2003

Docket No. 98-2003

### Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

### BOARD ORDER NO. 73-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

	David Ballard, Chairman
	Denzil Young, Vice-Chairman
	Jerry Kennedy, Board Member
	Jack King, Board Member
	Allen Kolstad, Board Member
	Elaine Mitchell, Board Member
	Gary Willis, Board Member
ATTEST:	
Terri H. Perrigo, Executive Secretary	

IN THE MATTER OF THE APPLICATION OF OCEAN ENERGY, INC. TO DRILL AN EAGLE SAND FORMATION GAS WELL 660' FSL AND 990' FWL OF SECTION 22, T32N-R15E, HILL COUNTY, MONTANA, WITH A 100-FOOT TOLERANCE IN ANY DIRECTION FOR TOPOGRAPHIC REASONS AS AN EXCEPTION TO BOARD ORDERS 10-70 AND 56-85. (TIGER RIDGE FIELD)

Docket No. 99-2003

ORDER NO. 74-2003

### Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

### BOARD ORDER NO. 74-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

	David Ballard, Chairman
	Denzil Young, Vice-Chairman
	Jerry Kennedy, Board Member
	Jack King, Board Member
	Allen Kolstad, Board Member
	Elaine Mitchell, Board Member
	Gary Willis, Board Member
ATTEST:	
Terri H. Perrigo, Executive Secretary	

IN THE MATTER OF THE APPLICATION OF OCEAN ENERGY, INC. TO DRILL AN EAGLE SAND FORMATION GAS WELL 500' FSL AND 1240' FWL OF SECTION 36, T32N-R15E, HILL COUNTY, MONTANA, WITH A 150-FOOT TOLERANCE IN ANY DIRECTION FOR TOPOGRAPHIC REASONS AS AN EXCEPTION TO BOARD ORDER 10-70. (TIGER RIDGE FIELD)

Docket No. 100-2003

ORDER NO. 75-2003

### Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### <u>Order</u>

### BOARD ORDER NO. 75-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

	David Ballard, Chairman
	Denzil Young, Vice-Chairman
	Jerry Kennedy, Board Member
	Jack King, Board Member
	Allen Kolstad, Board Member
	Elaine Mitchell, Board Member
	Gary Willis, Board Member
ATTEST:	
Terri H. Perrigo, Executive Secreta	ry

ORDER NO. 76-2003

IN THE MATTER OF THE APPLICATION OF OCEAN ENERGY, INC. TO DRILL AN EAGLE SAND FORMATION GAS WELL 900' FSL AND 1240' FWL OF SECTION 29, T32N-R16E, HILL COUNTY, MONTANA, WITH A 200-FOOT TOLERANCE IN ANY DIRECTION FOR TOPOGRAPHIC REASONS AS AN EXCEPTION TO BOARD ORDER 10-70. (TIGER RIDGE FIELD)

Docket No. 101-2003

### Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

### BOARD ORDER NO. 76-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

	David Ballard, Chairman
	Denzil Young, Vice-Chairman
	Jerry Kennedy, Board Member
	Jack King, Board Member
	Allen Kolstad, Board Member
	Elaine Mitchell, Board Member
	Gary Willis, Board Member
ATTEST:	
Terri H. Perrigo, Executive Secretary	<del></del>

IN THE MATTER OF THE APPLICATION OF OCEAN ENERGY, INC. TO DRILL AN ADDITIONAL EAGLE SAND FORMATION GAS WELL 1125' FSL AND 390' FEL OF SECTION 19, T30N-R16E, HILL COUNTY, MONTANA, WITH A 200-FOOT TOLERANCE IN ANY DIRECTION FOR TOPOGRAPHIC REASONS AS AN EXCEPTION TO BOARD ORDERS 10-70 AND 66-91. (TIGER RIDGE

FIELD)

Docket No. 102-2003

### Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Ocean Energy, Inc. is granted as applied for.

ORDER NO. 77-2003

### BOARD ORDER NO. 102-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

	David Ballard, Chairman
	Denzil Young, Vice-Chairman
	Jerry Kennedy, Board Member
	Jack King, Board Member
	Allen Kolstad, Board Member
	Elaine Mitchell, Board Member
	Gary Willis, Board Member
ATTEST:	
Terri H. Perrigo, Executive Secretary	

IN THE MATTER OF THE APPLICATION OF OCEAN ENERGY, INC. TO DRILL ITS US #22-9-32-17 WELL AT A LOCATION 1490' FSL AND 660' FEL OF SECTION 22, T32N-R17E, HILL COUNTY, MONTANA, WITH A 200-FOOT TOLERANCE IN ANY DIRECTION FOR TOPOGRAPHIC REASONS AS AN EXCEPTION TO BOARD ORDERS 10-70 AND 46-78. (TIGER RIDGE FIELD)

Docket No. 103-2003

ORDER NO. 78-2003

### Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### <u>Order</u>

### BOARD ORDER NO. 78-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

	David Ballard, Chairman
	Denzil Young, Vice-Chairman
	Jerry Kennedy, Board Member
	Jack King, Board Member
	Allen Kolstad, Board Member
	Elaine Mitchell, Board Member
	Gary Willis, Board Member
ATTEST:	
Terri H. Perrigo, Executive Secretary	

IN THE MATTER OF THE APPLICATION OF OCEAN ENERGY, INC. TO AMEND THE TIGER RIDGE FIELD RULES TO CREATE TWO 320-ACRE PERMANENT SPACING UNITS COMPRISED OF THE N½ AND S½ OF SECTION 35, T32N-R15E, HILL COUNTY, MONTANA, AND AUTHORIZING APPLICANT TO DRILL AN EAGLE SAND FORMATION GAS WELL 2250' FSL AND 990' FEL OF SAID SECTION 35 WITH A 100-FOOT TOLERANCE IN ANY DIRECTION FOR TOPOGRAPHIC REASONS.

Docket No. 104-2003

### Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. In response to concerns of the Trust Land Management Division of the Department of Natural Resources and Conservation, applicant agreed to minimize any movement of the proposed well location to the east.
- 3. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### <u>Order</u>

IT IS THEREFORE ORDERED by the Board of Oil and Gas Conservation of the State of Montana that the application of Ocean Energy, Inc. is granted as applied for.

ORDER NO. 79-2003

### BOARD ORDER NO. 79-2003

ATTEST:

Terri H. Perrigo, Executive Secretary

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

# David Ballard, Chairman Denzil Young, Vice-Chairman Jerry Kennedy, Board Member Jack King, Board Member Allen Kolstad, Board Member Elaine Mitchell, Board Member Gary Willis, Board Member

ORDER NO. 80-2003

IN THE MATTER OF THE APPLICATION OF OCEAN ENERGY, INC. TO PRODUCE JUDITH RIVER FORMATION GAS COMMINGLED WITH EAGLE SAND FORMATION GAS IN THE DUNBAR #4-07-27-19 WELL LOCATED 2440' FNL AND 1460' FEL OF SECTION 4, T27N-R19E, BLAINE COUNTY, MONTANA, AS AN EXCEPTION TO BOARD ORDERS 45-76, 65-85, AND 66-2002. (SAWTOOTH MOUNTAIN FIELD)

Docket No. 105-2003

### Report of the Board

The above entitled cause came on regularly for hearing on the 27th day of March, 2003, in the Big Sky Room in the Wingate Inn in Helena, Montana, pursuant to the order of the Board of Oil and Gas Conservation of the State of Montana, hereinafter referred to as the Board. At this time and place testimony was presented, statements and exhibits were received, and the Board then took the cause under advisement; and, the Board having fully considered the testimony, statements and exhibits and all things and matters presented to it for its consideration by all parties in the Docket, and being well and fully advised in the premises, finds and concludes as follows:

### Findings of Fact

- 1. Due, proper and sufficient notice was published and given of this matter, the hearing hereon, and of the time and place of said hearing, as well as the purpose of said hearing; all parties were afforded opportunity to present evidence, oral and documentary.
- 2. The evidence indicates that granting the application in the manner hereinafter set forth will serve to protect correlative rights and be in the interest of conservation of oil and gas in the State of Montana.

### Order

### BOARD ORDER NO. 80-2003

Done and performed by the Board of Oil and Gas Conservation of the State of Montana at Billings, Montana, this 27th day of March, 2003

BOARD OF OIL AND GAS CONSERVATION OF THE STATE OF MONTANA

# David Ballard, Chairman Denzil Young, Vice-Chairman Jerry Kennedy, Board Member Jack King, Board Member Allen Kolstad, Board Member Elaine Mitchell, Board Member Gary Willis, Board Member ATTEST: